

United States Bankruptcy Court
Eastern District of North Carolina

In re: **International Heritage, Inc.**
 56-1921093

F I L E D
 Case No. 98-02675-5-ATC
 Chapter 7

DEC 17 1998

List of Equity Security Holders

PEGGY B. DEANS, CLERK
 U.S. BANKRUPTCY COURT
 EASTERN DISTRICT OF NORTH CAROLINA
 KIND OF INTEREST
 REGISTERED

REGISTERED NAME OF HOLDER OF SECURITY LAST KNOWN ADDRESS OR PLACE OF BUSINESS	CLASS OF SECURITY	NUMBER REGISTERED	EASTERN DISTRICT OF NORTH CAROLINA KIND OF INTEREST REGISTERED
See Exhibit I Attachment			

EXHIBIT I

On March 6, 1998, the Debtor entered into a share for share exchange with Kara International, Inc. ("Kara"), a publicly held company. Kara was a shell corporation which was not doing business at the time of the exchange. Each outstanding share of the Debtor was exchanged for three shares of Kara. A total of 7,379,493 shares (97.73%) of the Debtor were exchanged for 22,138,479 shares of Kara. Kara changed its name to International Heritage, Incorporated. The parties listed below did not participate in the share for share exchange.

List of Equity Security Holders

<u>Registered Name of Holder</u>	<u>Class of Security</u>	<u>Number of Shares</u>	<u>Kind of Interest Registered</u>
Of Security Last Known			
<u>Address or Place of Business</u>			
John H. Giles Attn: W.R. Crothers 3410 Antioch Church Road Matthews, NC 28105	Common Stock	750	Direct
Houston Allen Little 36457 Carter Road New London, NC 23127	Common Stock	750	Direct
Benny G & Martha N. Morgan 932 Brintonial Way Winston-Salem, NC 27104	Common Stock	750	Direct
Bobby Dean Sidden 225 Collins Road China Grove, NC 28023	Common Stock	7,500	Direct
Lawrence & Dorothy Smith 1123 N.W. 107 th Terrace Gainesville, FL 32606	Common Stock	3,750	Direct
Gregg M. Strauss 110 Rabbit Run Road Sewell, NJ	Common Stock	750	Direct